



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

April 7, 1998

CERTIFIED RETURN RECEIPT P 074 976 633

Nick Kalanges
Chief Financial Officer
Pacific Coast Building Products
3001 I Street
Sacramento, California 95816

Re: Replacement Surety Bonds, Interstate Brick Company, Fivemile Pass M/045/006,
Tooele County; Powell M/049/004; and Jim Gay M/049/005, Utah County, Utah

Dear Mr. Kalanges:

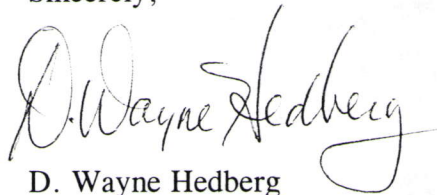
As per your telephone conversation this morning with Joelle Burns of my staff, we are returning the original surety bonds with copies from National Fire Insurance Company of Hartford which need to be re-issued. We have partially completed the surety bonds and Reclamation Contracts forms for the three referenced mines. The Black Shale surety is also being replaced, but as this surety is held by School and Institutional Trust Lands Administration, new forms were not made up by this office. None of the bonds were signed by the parent company, Pacific Coast Building Products. Jerry North of Interstate Brick Company brought the bonds into our office and signed the surety bonds before we realized that he was not an officer authorized to do so. After consulting with our legal counsel on this matter, we were advised that the bonds need to be re-issued showing Pacific Coast Building Products (dba Interstate Brick Company) as the owner/operator of record.

Please check the forms over for accuracy, sign, date, notarize where applicable and return to our office as soon as possible. These sureties need to be in place prior to May 8, 1998, as the existing sureties issued by St. Paul Fire and Marine are due to expire in June.

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Nick Kalanges
Interstate Bonds
April 7, 1998

If you have any questions regarding this letter or the enclosed forms, please contact me at (801) 538-5286 or Joelle Burns at 538-5291.

Sincerely,

A handwritten signature in cursive script that reads "D. Wayne Hedberg". The signature is fluid and stylized, with the first and last names being more prominent.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Enclosures: 4 Original bonds w/copies #
3 Partially completed MR-RC and 3 partially completed MR-6 forms
cc: Jerry North, Interstate Brick
John Blake, SITLA
Mike Ford, BLM, Salt Lake DO
Intersta.bnd